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The City of Harrisburg**

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Mayor

The State of the City Address by the Honorable Stephen R. Reed, Mayor of Harrisburg, Pennsylvania, Delivered at Noon, Friday, April 2, 2004, at the Harrisburg Hilton Hotel and Towers, in Harrisburg, Pennsylvania

The thanks of a grateful city go to each of you for attending and go to the Harrisburg Region Chamber of Commerce for once again organizing and conducting this annual event.

The City of Harrisburg is a longstanding member of the Chamber and a co-founder of its economic development arm, the Capital Region Economic Development Corporation. The Chamber deserves our support not only because it supports the business community and entrepreneurial endeavor—but because it fosters and promotes a regional approach to common needs and issues—in contrast to much of local government, which remains so fragmented.

Our thanks are extended, as well, to Waypoint Bank, the Platinum Sponsor today, and to all the gold, silver and bronze sponsors, whose support of this event defrays its costs and provides the Chamber with added resources.

When we last met, the Nation had just gone to war. We paused then to reflect upon the courage and skill and effort of our troops. We do so again.

Young men and women from this city and region—and from across America—remain in harm's way in Iraq and Afghanistan, in Haiti and Kosovo, and in other places around the globe. We remember today their sacrifices. We remember this day the seven from Central Pennsylvania who have given the ultimate service to their country and we remember their families.

Since that fateful September 11th more than two years ago, we live in a different world. There are new challenges at home and abroad. America must be firm in its

resolve—and steadfast in its efforts—to assure the peace and security of our country and of the troubled parts of our world.

Two dozen city employees have been called to active duty in these past 32 months and some remain forward deployed even now.

By their service, they seek to protect America. In return, they are owed our gratitude, our support and our salute and they are owed our arduous efforts to assure that the freedoms they defend are used by us to further build our Nation and communities. It is our mission to that in Harrisburg.

To our military personnel—active duty, reserve and members of the guard—we dedicate this event—and by extension, we salute the veterans of past military service who also have sustained and served our country. From your strength, America has endured and advanced and the Nation and City thank you.

More than any other occasion, this is when we review—in a comprehensive way—the progress of the past twelve months—and highlight what is disclosable about the days ahead.

We can report that the year 2003 was like no other in Harrisburg's history. New records were set. New gains were realized. In a city once listed as the second most distressed in the Nation and where initial revitalization was hallmarked by stops and starts, we now experience sustained momentum.

Arduous efforts and initiatives in the current era have evolved Harrisburg into a regional center for commerce, finance, transportation, health care, the arts, recreation, sports, entertainment, tourism and history. Such a circumstance was viewed by cynics as unthinkable only years ago.

In most recent time, Harrisburg has moved to yet another plateau—becoming a center for educational endeavor, reform and improvement.

We shall speak of all these things today.

In 2003, the City issued 1,763 building permits—an increase of 12.5% over the number issued the previous year. More importantly, the total amount of new investment represented by these permits total \$351,517,500—the largest amount ever recorded in any year in City history. It far eclipses the record set just one year earlier.

This means that in the current era, Harrisburg has recorded a total of 30,429 building permits representing over \$3,451,000,000 in new investment. There are few cities of our size in America with a similar record.

When city government began the current economic development efforts, there were 1,908 businesses on the City taxrolls. Today, there are 6,951.

Last year, the City's crime rate dropped another 5.5%, which now means that the crime rate, during the current era, has dropped 56.5%—to the lowest in more than 30 years.

The fire rate in 2003 stayed literally the same as the previous year, but in current times, has dropped by 76.3%—the lowest since citywide records began being kept more than 45 years ago.

The breadth and depth of urban development taking place deserve special note.

Adjacent to the Hilton Hotel, on a long vacant lot, an 18-story mixed-use tower is under construction. At 246 feet in height, and 311,000 square feet, it will house hotel meeting space, restaurant, retail, parking floors and Class A office space—and will be a signature addition to the expanding city skyline.

On surface parking lots—created 40 years ago when historic structures were inappropriately torn down—a new \$30 million office complex with 181,000 square feet of space will be dedicated on April 7th.

At former space occupied by Polyclinic Hospital, two-thirds of the 290,000 square feet has already been leased—after extensive renovation has produced splendid new quarters known as the Penn Center in the Uptown sector.

At a former Brownfield site at South Cameron and Sycamore Streets, a new office center housing 150 jobs has now opened and is accented with dramatic Pennsylvania stonework.

Upcoming expansion in the industrial and manufacturing sectors includes new construction for the N.F. String Company in Allison Hill and a major new complex to be built at North Cameron and Herr Streets with both representing in excess of 180 permanent jobs.

International House which provides residential space for visiting students and interns has been so successful that two major additions will be underway—one involving the creation of a visiting artists center, with studio and retail space—the other encompassing more living units and a 125 seat restaurant with indoor and outdoor space that will include culinary art students from HACC as part of the staff.

Harrisburg's role as a banking center has increased, with the addition of Community Bank and the plans of Mid-Penn Bank for an additional site. Meanwhile, the Greater Harrisburg Community Credit Union, the first and only community development credit unit ever formed in Central Pennsylvania, continues to expand its services to persons with little previous access to low cost financial services. Separately, the Community First Fund continues with its good work to help with the start-up and financing of new small businesses.

Belco Community Credit Union will soon undertake a major consolidation and expansion of space in the City—with the Harrisburg Parking Authority simultaneously constructing the new South Street Parking Garage to accommodate their off-street parking

needs. The same new garage will permit the expansion of other nearby office buildings and jobs.

In this tri-county area, no municipality has more retail than what exists in Harrisburg and that retail is expanding. David & Son Clothier, Robert's Jewelry and Mitrani at Home are just a few examples.

Fifteen new restaurants opened in Harrisburg last year and the venerable Alva Restaurant—one of the oldest in the region—underwent an upgrade and opened the Fourth Street Market next door.

Additional places will also be opening. The Irish-themed restaurant in the first block of North 2nd Street is nearing completion. The City is working with a development team on the prospect of a major restaurant complex to be situated on the southeastern quadrant of City Island. The Market Square Plaza will include restaurant space, as will the National Sports Hall of Fame.

All of this adds to the offerings that are already bringing significant numbers of patrons and visitors into the City both by day and at night. The Harrisburg nightlife of today is far different than what existed even five years ago.

The hospitality industry here will be further enhanced with the planned construction of a first class hotel on the Farm Show property. Developer designation will occur later this year when the current proposal process is completed.

Part of Harrisburg's vision for the future includes reinforcing its role as a health services center. We hope to see it expand to include medical research and the application of new science to medical innovation. The South Second Street corridor provides land to accommodate such growth. Pinnacle Health System is taking the first step with plans for a new laboratory building to be built at South Second and Chestnut Streets.

The Honor Roll of new investment in Harrisburg for the past 12 months includes: Strawberry Square Associates, Harrisburg Dairies, Newseasons Harrisfield, Olewines Real Estate Company, Camille Bennett, John Benz, 2201 Partners LP, Tony Pascotti, Dae Lee, Thomas Bissey, Greg Sutliff, Levant Allison Logan Trustees, Sangeeta Kalantri, 211 N. Front Associates LLC, SMR Properties LP, Allen Smith, Edison Village LMT Division, and Skolatos and Zonarich Real Estate. It includes: Burt Morris, Mike Daley, Pinnacle Health System, Penn National Realty Trust, M & T Bank, Penna. State Employees Credit Union, Debbie and Giuseppe Neve, The PA Chamber of Business & Industry, Michael Quigg, CREDC, Thomas Flynn, John Vartan, 1718 Realty Assoc., Thomas Imswiler, Allegheny Electric Corp, Welbuilt General Contracting, Pennsylvania Place and literally hundreds of others.

The Honor Roll includes public sector partners outside of city government whose support and leadership have been invaluable: Governor Ed Rendell and before him, Governors Mark Schweiker and Tom Ridge, Congressman Tim Holden, United States Senators Arlen Specter and Rick Santorum, State Senator Jeffrey Piccola, State Representative Ronald I. Buxton, Dauphin County Commissioners Jeff Haste, Nick DiFrancesco and George Hartwick and their predecessors, John Payne, Lowman Henry

and Tony Petrucci; Brian Hudson of the PA Housing Finance Agency and there are many others.

As we acknowledge all who are part of the growing investment base of this city, we take note of a longstanding partner. The Harristown Development Corporation commemorates its 30th year of involvement in economic development. Involved in over \$500 million in projects over the years, HDC-owned or managed properties have produced over \$100 million in tax revenues to the County, School District and City in these decades. Our salute to them on this anniversary.

For America to be competitive in the global economy, for our Nation to fulfill the promise of its founding ideals, and to assure a just and equitable society for all citizens, Harrisburg embraces a strong policy of inclusiveness.

This means that all segments of the community must have equal opportunity to achieve The American Dream and to build a better future.

To this end, the fullest possible application of minority contracting and affirmative action have been and continue to be employed.

The building and sustaining of a minority business base is good for the Country and it is good for the community. When everyone has a stake in the future, we are a stronger Nation and region.

Most efforts in the past have been for minority contractor participation in specific public projects. This alone does not assure long-term success. What is needed is a one-stop resource center that performs multiple tasks--- tasks such as providing technical and fiscal help for training and for the start-up and expansion of minority-owned business enterprise; and advocacy for inclusion of qualified minority businesses not only in public sector activities but all types of projects throughout the region.

Such a resource center would connect businesses with developers and project owners, would assist with assuring competitive responses and would help to create a continuing volume of business that would allow minority-owned companies to grow. This would go a long way toward creating a level playing field in the world of private enterprise.

With support from the City and the School District, such a resource center is a mutual goal with the African-American Chamber of Commerce. It is our joint intent to have the resource center as a permanent, year-round community based endeavor that the private, public and non-profit sectors can utilize to connect minority businesses to new opportunities on a continuing basis.

Commercial and industrial development along with job creation and retention are a priority pursuit. An equal priority is neighborhood and housing renewal. It is why, by design, the City administers its neighborhood programs separate from the rest – to assure that one is not secondary to the other.

Contrary to the misinformation deliberately conveyed by a few—the overwhelming majority of the City’s capital and operating resources are not expended in the downtown. They are used outside the central business district.

With the projects begun last year—and those dozens more that will be underway this year and next—Harrisburg shall experience the largest volume of residential and neighborhood revitalization ever conducted at any one time.

In Capitol Heights – a new city neighborhood of market rate homes being created from where many vacant lots existed for decades – the third phase of new construction has started.

In the Uptown, in a 9 square block area involving 45 acres of land, the Maclay Street Neighborhood Project now getting underway, will produce 293 new and restored housing units with 71 of the newly built structures being offered for homeownership.

The Market Place Townhomes initiated by the City eight years ago will now more than double in number with the designation of a developer to proceed with the new construction.

A long vacant structure at 1419 North Second Street has been turned into 18 new apartments, with first floor office space, which underscores the adaptive reuse of existing structures for 21st century uses.

In the Mt. Pleasant National Historic District, one of seven Historic Districts named by the City, the Mt. Pleasant Plaza has opened, representing the largest retail complex built in a Harrisburg neighborhood in several decades.

Habitat for Humanity as they continue their inspired and noble work, has taken over a longstanding vacant industrial building to become its storage, mobilization, office and retail store.

With our partners, The Capital Region Community Action Commission and the Tri-County Housing Development Corporation, additional homes – large and small – are being restored in Allison Hill where the concurrent Weed and See Program has mobilized residents to reduce crime, create a jobs training program and conduct clean-up projects.

With another partner – The Wesley Union Community Development Corporation – new homes are being constructed on vacant lots in the Uptown.

The Harrisburg Housing Authority has undertaken complete upgrades to many of its residential units. The addition of exterior porches, plazas and landscaping have dramatically transformed the areas targeted.

At literally dozens of other sites from the Historic Hutman House on North Third Street to Derry, Market, Delaware, Green and other Streets, public and private projects are advancing neighborhood renewal involving many millions of dollars in new investment with all of it being spent outside the Downtown.

Augmenting this progress is the removal of seriously blighted non-restorable structures. Harrisburg is the only city in the State to go into the demolition business. Last year, 55 buildings were taken down.

As this neighborhood renewal advances, it creates markets for additional small businesses from the opening of two bookstores in the Midtown to the opening of car repair, food and other retail shops.

Money is not the first basic ingredient to neighborhood renewal. Attitude is. In those areas where neighbors are involved, where citizens take initiative and action, the environment for comprehensive progress exists.

To foster a corps of dedicated volunteers and leaders -- to engender the civic spirit that must underlie any successful community endeavor -- Harrisburg offers an array of options. 150 blocks are being maintained by citizens through the Adopt-A-Block Program. 17 lots are being cared for by community groups. Over 100 blocks now have organized crime watch groups and over half of the city areas have functioning neighborhood associations.

The City's Citizen Police Academy which trains the public on matters of local renewal and public safety, just held its 11th graduation. Later this year, the Business Police Academy, the Junior Police Academy and the Latino Citizen Police Academy will be held for the same purposes.

Further, in the decision-making and policy-making processes of Harrisburg, over 300 citizens are involved as volunteers on various boards and commission.

Harrisburg is a case study in citizen action that makes a difference.

Amidst all else that is occurring in this city, there is also another profound evolution taking place -- one of historic proportion.

For the first time in its history, Harrisburg is becoming a center for education and is doing so in scope and scale that is already attracting national attention.

Slightly over three years ago, State Law was adopted that changed the governance of the Harrisburg School District. The District's academic and administrative dysfunction had wrought a terrible price. It had failed a generation of city youth, served to drive out families from Harrisburg and offered little preparation for those expected to be the leaders and the workforce of tomorrow.

So mired in its own deficiencies, the high school even failed to issue report cards. Many classrooms had received no books or teaching supplies in years and fraud by a few had robbed the district of over 1000 computers as part of a larger kickback scheme.

Reform and improvement -- accompanied by standards of accountability -- are now the order of the day. New initiatives are breathing life, hope and promise into the educational system.

The Early Childhood Program has been started and was doubled in size this school year. It prepares 3 and 4 year olds for kindergarten and first grade, teaching good habits of learning that lead to a lifetime of success.

The After-School Program has been created. It is an extension of the school day. Homework assignments, tutoring, mentoring and other activities are conducted. It ends each evening with a hot meal.

Districtwide, a full emphasis on literacy now exists. Reading and comprehension are key to doing well in all academic subjects.

The Math and Science Academy has been instituted for grades six through eight and will expand to the 5th grade in September. It provides a focus on advanced studies in these fields.

One of the first projects was establishing an Alternative Education Academy for students with behavioral or related special needs. These were students destined for failure or worse because the system had no means of reaching and inspiring them. Many of these same students have now achieved remarkable successes.

At the high school, five learning communities have been created, making them schools within a school, to assure far more individualized attention to students' academic needs and to offer a curriculum that best relates to aptitude and opportunity.

One of these learning communities is the Junior Naval ROTC Program, which has its own wing at the high school campus. It has more than doubled in size in the past year and offers courses that include leadership development and discipline.

Through the LEAP program, the Gear-up Program, The State System of Higher Education and others, students are now being reached in the middle grade levels to start preparing them to go to college. The message here is clear -- urban youth can and will succeed, and the self-confidence and opportunities to do so are now being built.

Outdated school buildings are being modernized, some for the first time in more than a half century, so that new technology and proper classroom and laboratory space are provided.

Professional development for teachers and administrators, by which the best practices in urban education are taught, is an on-going training initiative.

At the Career and Technology Academy, where vocational and technical skills are taught, new equipment to replace decades-old and irrelevant materials is being emplaced. Curriculum upgrades are geared to real workforce standards and requirements.

One area of the career program is in the construction trades. Students and instructors will be assigned vacant structures in neighborhoods to conduct complete renovation projects.

Harrisburg is essentially offering year-round education. Last year, the largest Summer School ever held in this city had more than 1,200 students in attendance. The separate Summer Kids College had another 300 students.

To address student and family health needs, two health centers have been opened in the schools, with the renowned Hamilton Health Center operating them.

High school students in the School of Business and Industry are preparing for careers in private enterprise. They already own and operate the Mid-Penn Apparel retail shop at the Harrisburg East Mall. Additionally, 570 students participated in the Junior Achievement Program, which teaches economic concepts and business acumen.

Music and art are being incorporated in the basic skills instruction occurring in the schools. The Grammy Foundation awarded grant funds to assist in upgrading this curriculum.

The first-ever Citywide Parent Advisory Council of the District has been formed and the role and importance of parents are being continually emphasized in multiple programs and in-school activities.

While academics are the first priority of the District, education is enhanced with extra-curricular activities for the students whose grades allow participation. The High School Band and Music Programs have expanded. The Athletic Department has more students in physical education and sports, with considerable success having been achieved.

Of special note is that the Girls Basketball Team, for the first time ever, won the District, League and Eastern Pennsylvania Championships over the past few months.

Aggressive efforts to deal with truancy continue, including sending truancy officers to homes and other places to retrieve students and get them to class. Parents are being held accountable, as well. Cooperating businesses are posting District-issued signs advising that students cannot be on the premises during the school day.

There is real progress taking place. There is new spirit, hope and achievement occurring in city schools.

Considerably more remains to be done. The availability of sufficient resources shall determine the pace. Already, measurable gains have been registered.

Test scores are up. The first enrollment increases in over a quarter century have occurred with 1200 more students now in the schools. The graduation rate has increased by 58% and attendance has increased. More parents are involved and most of all, a great many students now know there is something very special taking place for them, that they may succeed and that they have a bright and promising future.

Harvard University has selected the Harrisburg School District as one of the few prototypes in the Nation that depict urban educational reform and will share the details of what is occurring here across the country for replication in other places.

Simultaneous to what is happening with the Harrisburg School District is the creation of The Harrisburg University of Science and Technology.

Extensive planning and development have occurred in the past several years. The project now moves to site control and start-up of construction. Basic design and site plans are already done.

It shall be a non-traditional university, with a curriculum flexibly focused on meeting workforce development needs, with a particular emphasis on technology.

Technology is the engine that shall drive the 21st Century economy.

The places in America that will not only survive but thrive will be those that connect higher education with technology and innovation and business enterprise. We intend that Harrisburg and this capital region be one of those places. The Harrisburg University is one of the most important strategic projects ever undertaken in South Central Pennsylvania.

By attracting the best and brightest of students and faculty, we will prepare a highly trained workforce and retain and attract the employers who hire them.

As part of the university project and in conjunction with the Harrisburg School District, the Sci-Tech High has been established. It is high school level, grades nine through twelve, who do advanced work in science and technology.

The school is in its first year in temporary quarters. There are 160 students, with over 200 additional applicants from the City and suburbs who want to attend.

Its permanent home is under-going renovation now at 215 Market Street, with work being completed by this summer. As Sci-Tech High moves in, the student enrollment is expected to double.

The Gates Foundation has selected Harrisburg's Sci-Tech High as one of the top 12 in the Nation for advanced preparation of students in the technology fields and is the only public school of those selected. The Foundation has now awarded grant funds to support the school.

The renovated space will also house the first component of the University's Technology Incubator Program. Students and faculty of the university shall have the chance to create new applications of technology and other creations with the incubator space being where new companies and other private entrepreneurs can get their companies started.

These are exciting times.

In Harrisburg, Pennsylvania, we are literally creating a comprehensive educational system from age 3, with the Early Childhood Program, to adult age, post-graduate university level. In no city in America is this presently taking place.

There is more.

Harrisburg Area Community College is also starting construction on a new Allied Health Education Center on its main campus, to meet the growing demand for skilled professionals in the health care fields.

Messiah College has expanded their Harrisburg Institute Project, which involves students living and studying in Harrisburg. Renovated student housing will soon be dedicated in the Downtown.

St. Stephen's School, utilizing green building technology, has received national recognition for their \$2.4 million school expansion, which provided a 140% increase in educational space.

The Dixon University Center, the Penn State Downtown and Eastgate Centers and Temple University all continue to offer higher educational courses in the City, as well.

As if this were not enough, there is much more and we shall therefore move to concluding these remarks with this further report.

In the arts, tourism, recreation and sports, Harrisburg's regional role has been significantly enhanced, with more to come.

Last year two neighborhood parks, the Vernon Street and Braxton Playgrounds were entirely redone. The Harrisburg Parks Partnership, a non-profit consortium of private and public sectors and community leaders created by the City ten years ago, helped raise the funds. They have begun a new round of fundraising to do the same work at six additional sites.

The historic bandshell at Reservoir Park has been considerably upgraded and renamed the Levitt Pavilion for the Performing Arts. It hosts many events including free concerts, five nights a week, during every week from June to August. A new walkway system will be added to the Pavilion this year.

The Harrisburg Parks System is the largest municipal parks system in Central Pennsylvania. Its use has extensively increased. In 2002, 747 park permits were issued for events held in parks space. Last year, 1436 permits were secured.

Attendance at special events conducted by the City during last year was 1.8 million persons, a 28% increase over the preceding twelve months. Counting the events sponsored by others, it brings the total attendance at events in the parks system to over 2.3 million for 2003.

At dozens of neighborhood sites, the City conducts a wide array of recreational programs. During last summer, attendance was 412,000, a 6% increase over the previous year. For the Fall Program, 84,000 showed up, an increase of 29%.

The City's Minor League Baseball Club again attracted over 250,000 ticketed attendance, bringing the total number of fans coming to the stadium to over 4 million since baseball began in 1987.

A newly formed professional outdoor soccer franchise, named The City Islanders, begins their first season this month. The minor league football club, twice the National Champions in the past four years, continues with their home field also on City Island.

The Whitaker Center, since opening in 1999, has now attracted over 1 million in attendance. Over 2,000 companies and individuals have hosted events at the Center. The latest was the kick-off reception to the largest arts project ever undertaken in this region and which has now placed 136 creatively painted cows at public venues in these several counties.

The National Sports Hall of Fame, to be the largest facility of its type in the Nation, will be under construction on City Island when final design and bidding are completed later this year.

Final development plans are being crafted and project architects and others will be named this summer for the new National Museum of African-American History.

The National Civil War Museum, the largest museum in the world related to that pivotal period of America's history, is expanding its education and other programs and continues to bring visitors to the City and region from around the globe.

RiverSide Stadium has been renamed Commerce Bank Park as part of a naming rights agreement. The funds will be applied to the major upgrade and expansion of the stadium. The nearby Skyline Sports Complex is now being considered for increased seating and upgrade, as well.

After this year's baseball season concludes, the widening of the underpass and the two ramps of the Market Street Bridge on City Island will get underway in time for completion by next spring.

The Capital Area Greenbelt, the Emerald Necklace that winds through five municipalities, is slated for two additional segments to be undertaken this year, the first near Industrial Road. The other includes the major new intersection and traffic signals now under construction at 21st and State Streets.

The City-owned Broad Street Market, the oldest continuously operated farmers' market in the country, and where the City undertook a major three phase upgrade project, is now at nearly 100% occupancy, offering visitor and resident alike with a smorgasbord of fresh products.

The citywide Mural Project expanded with the addition of new murals in Midtown and Allison Hill. The City has continued to place historical placards at sites throughout Harrisburg, telling passers-by of the grand story of Harrisburg's rich history. Walking and driving tour signage will be added this year, complemented by brochures published last year identifying more than 110 sites.

The Pennsylvania National Fire Museum, The Danzante Cultural Center, The Olewine Nature Center, The Susquehanna Art Museum, The John Harris/Simon Cameron

Mansion, The State Museum, The Design Museum at Fathom, The Doll Museum and all the other attractions here have taken Harrisburg to a new level as a point of destination for tourism – our State's second largest industry.

To capitalize on these assets and to plan what more can feasibly be done, the Harrisburg Heritage Tourism Commission is in formation. They will be charged with the duty to devise and implement aggressive marketing and to do comprehensive study on how best to expand our asset base.

For existing and future museums, The Harrisburg Museum Network is also being formed. By bringing together different facilities, the door is opened to joint promotions, multiple venue ticketing, sharing of staff, bulk buying of commonly- used supplies and other efficiencies.

In infrastructure work, major advancement is occurring. The Market Street Bridge has been upgraded and restored. The new antique-styled streetlights, the lighting underneath of the arches, the restoration of both the West and East Shore entrances, all add to a dramatic visual effect during the day and at night.

Similar projects are being sought for the State Street and Mulberry Street Bridges.

The widening of North 7th Street is now fully financed. It will double the traffic lanes from Reily to Maclay Streets, and allow North Second Street, from Forster to Division Streets, to be returned to two way traffic.

The project to extend South Third Street has moved to the next stage of planning. As and when accomplished, it will offer significant gridlock relief for traffic to and from the Downtown's southern half and will open inaccessible land tracts to new development as an extension of the Downtown.

The Harrisburg Transportation Center, an inter-modal facility, is slated for major upgrades to increase its use for Amtrak and the planned regional rail transit system. The project includes a 400-foot extension of the passenger boarding areas.

The City remains in full support of the regional rail program, which could be operating its first segment in 2006. It should not only run from Lancaster to Harrisburg and Mechanicsburg, but Carlisle and Hershey and other major destinations. It will encourage new development in proximity to its routes and will provide a much needed alternative to the single car occupancy that already congests our roadways, congestion that will get considerably worse in the years to come.

Design work has started on what will involve phased replacement of traffic signals at 38 city intersections, making them much safer and facilitating efficient traffic flows. Other signals are receiving L.E.D. technology upgrades, which will save energy and maintenance costs.

At the City Resource Recovery Plant and the trash transfer station also situated there, 120,000 tons of trash and debris were handled last year. The plant generated 186

million pounds of steam and the same plant, along with two other electrical generating stations of the city, produced over 8.3 million kilowatts of electricity.

This brings the multi-year total performance to having disposed of over 4.7 million tons of waste, generating 15 billions pounds of steam, and creating in excess of 911 million kilowatts of electrical energy. This has saved 9.7 million cubic yards of landfill space and provided energy equivalent to 900 million gallons of foreign oil, a matter with obvious timely implications.

The plant is now closed to undergo a complete retrofit and will open as a state-of-the art facility in 2006.

In the pursuit of these and other alternative revenue and energy prospects, the City will later this year begin a feasibility analysis on creating a wind power project, as well.

City agencies during the last year provided an extensive array of different services. Task orientation and goal attainment remain guiding management principles.

The City's G.I.S. system was expanded. New technology will be introduced into the operations of most agencies this year.

A new Land Use Plan and Zoning Code have been put into place – representing the first zoning overhaul in over a half century. It reduces the number of zoning districts and makes the law far easier to understand. The City's Floodplain Management Plan was also updated for the first time since 1995.

The new Harrisburg Broadcasting Network debuted last year as Channel 20 on cable television. A second television channel, one radio station and an internet webcast station are planned for the future.

A new Loading Zone Plan is going into effect Downtown, targeting 39 different locations, to facilitate the increased commercial activity now being experienced.

In basic services, involving many of the things citizens take for granted, the water system provided over 3.2 billion gallons of supply to customers in five municipalities. The City Wastewater Plant processed nearly 10.4 billion gallons from seven municipalities.

City street sweepers picked-up 4.8 million pounds of litter and stone. 915,000 pounds of illegally dumped debris was also retrieved.

The City's website was further expanded. Over 1.5 million visits to the site have already been registered. A new building, housing, electrical, plumbing, mechanical and fire code has been adopted, bringing all the provisions to the latest standards.

Harrisburg continues to be the statewide administrator of three critical response teams related to homeland security and emergency management: Pennsylvania Task Force One, the first team dispatched to the World Trade Center on September 11th; a second In-State Task Force to perform similar functions; and the recently formed Water Rescue

Strike Force. These are key elements to Pennsylvania's preparedness in the wake of terrorism and threat.

How Harrisburg functioned in 2003 was independently assessed and here is what others had to say. For the 16th consecutive year, the City attained the highest award in the Nation for financial reporting and accounting and for the 13th consecutive year, the highest award for budgeting. Of 2566 municipalities in Pennsylvania, only 2 others did the same.

For the 16th consecutive year, Harrisburg was named a Tree City U.S.A., the highest community conservation recognition. The Harrisburg Magazine Reader Poll chose the Kipona Festival as the best event in the region.

Inc. Magazine declared Harrisburg and the area amongst the best 20 medium-sized cities in America in which to do business and Harrisburg was separately named as the second least stressful city in the Nation.

The Harrisburg Police Bureau retained National Law Enforcement Certification, the highest recognition in public safety, and additionally attained State Law Enforcement Certification last year.

Harrisburg's special events programs won six awards from the International Festival and Events Association. The City's innovative vehicle purchasing program, which cuts costs by 10 to 15%, has been selected for the Governor's Award for Local Government Excellence. The City allows other governmental bodies to use this City program which has already saved the taxpayers over \$8 million.

And finally, the Skyline Sports Complex's field won the Coveted Fields of Distinction Award from the Keystone Athletic Field Managers Association and the Pennsylvania Rural Water Association conferred their award to the City for helping smaller water systems in their times of difficulty.

Harrisburg, Pennsylvania was once the outcast of the region and an embarrassment to the State and Nation.

In meeting the challenge of seemingly impossible odds, major progress has been achieved. That progress is a prologue to a far brighter and promising future.

Harrisburg embraces that future with vision, confidence, and boldness of purpose and high ideal.

The gains in this period of history have made Harrisburg a place of hope, of creativity, of inspired civic service.

And from this work, Harrisburg, Pennsylvania has become Ground Zero in our Nation in determining the viability of cities and the capability of urban public education in 21st Century America.

**Henry David Thoreau once wrote: “Go confidently in the direction of your dreams.”
Harrisburg is doing so and in this great cause, imagination, zeal, courage and skill are
called upon to make a difference in the life of this community and Nation.**

This, ladies and gentlemen, is the state of the city.

**May God bless this city, region and state and may God bless the United States of
America.**